

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Physical Security Controls at *****8*****

June 23, 2022

Report Number: 2022-IE-R002

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

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Sensitive But Unclassified



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

June 23, 2022

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM:

Heather M. Hill *Heather Hill*
Deputy Inspector General for Inspections and Evaluations

SUBJECT:

Final Report – Physical Security Controls at [REDACTED]
(Evaluation IE-21-009)

In November 2021, we conducted an unannounced physical security inspection of the Internal Revenue Service (IRS) [REDACTED]. Classified as a facility security level (FSL) [REDACTED] building, on a daily basis, [REDACTED] has approximately [REDACTED] Federal employees, [REDACTED] contractors, and [REDACTED] visitors.¹

The overall objective of this review was to determine whether selected physical security controls are in place at [REDACTED] to detect and deter unauthorized entry and comply with security policies and procedures established in the Internal Revenue Manual and by the Interagency Security Committee (ISC).² This review is part of our Fiscal Year 2022 Annual Program Plan and addresses the major management and performance challenge of *Enhancing Security of Taxpayer Data and Protection of IRS Resources*.

Management's complete response to the draft report is included in Appendix III.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. If you have any questions, please contact me or James A. Douglas, Director, Inspections and Evaluations.

The security criteria for the inspection consisted of the baseline countermeasures established by the ISC for FSL [REDACTED]. *The Risk Management Process: An Interagency Security Committee*

¹ The FSL is a categorization based on the analysis of several security-related facility factors, which serves as the basis for the implementation of physical security measures. The FSL determination ranges from a Level I (lowest risk) to Level V (highest risk). At the time of the inspection, the majority of employees were in telework status because of the Coronavirus Disease 2019 (COVID-19) pandemic. According to IRS officials, there were approximately 225 employees in the office during our visit. Many of the entry/exits were temporarily closed and for emergency use only.

² The ISC, established by Executive Order 12977, has authority to establish policies for security in and protection of nonmilitary Federal facilities in the United States whether owned, leased, or managed by the Government. Executive Order 12977, *Interagency Security Committee* (1995), 60 Fed. Reg. 54411.

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Standard (2021 Edition) (hereafter referred to as ISC Standards) defines the criteria and processes that those responsible for the security of a facility should use and provides an integrated, single source of physical security countermeasures for all Federal facilities with nonmilitary activities. Our criteria also included the minimum countermeasures established by the ISC for FSL [REDACTED]. Appendix II documents the countermeasures included in our inspection and the conclusions related to each countermeasure.

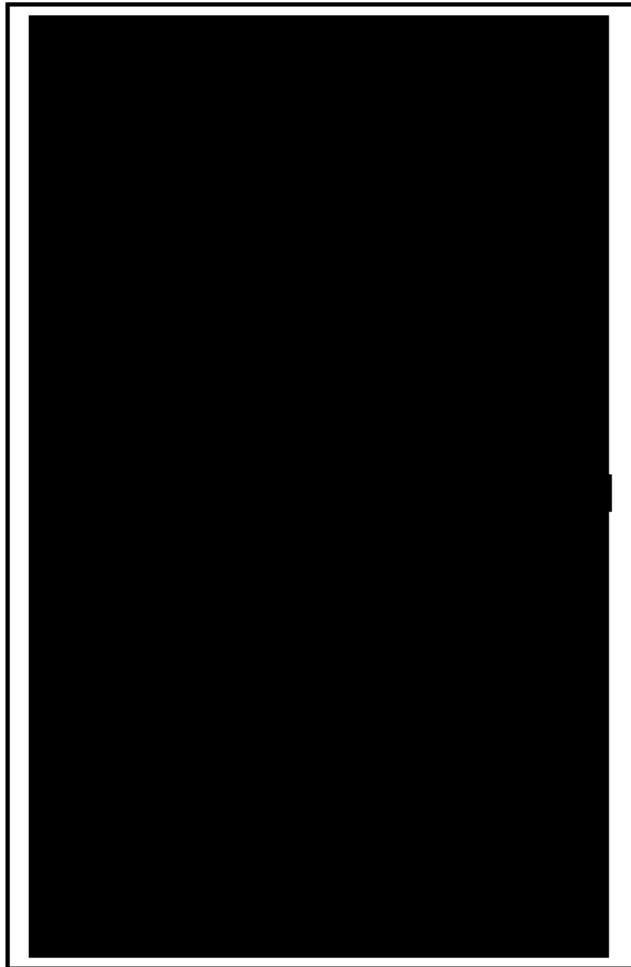
[REDACTED]

3 Figure 1 shows [REDACTED]

[REDACTED]

3 [REDACTED]

Figure 1: *****8*****
*****8*****



Source: Google Earth (www.google.com), accessed on January 3, 2022.

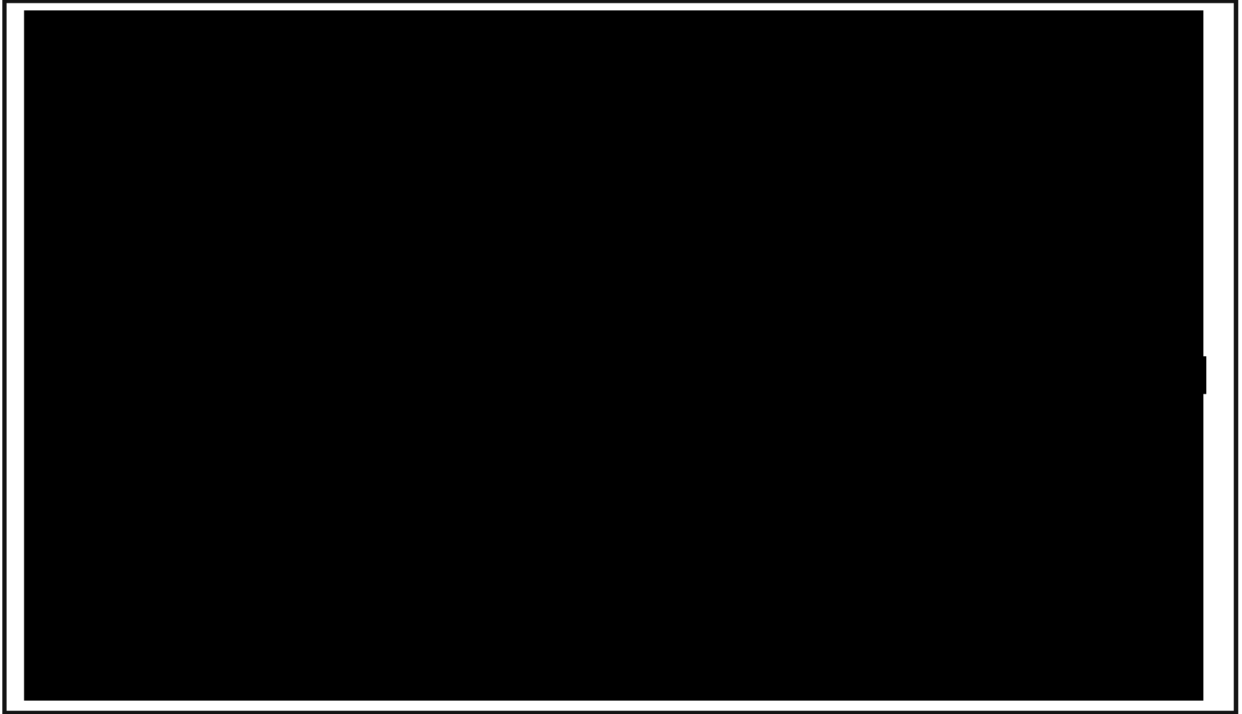
*****8*****

The Treasury Inspector General for Tax Administration (TIGTA) [REDACTED]

[REDACTED]
According to the ISC Standards,

Figure 2 shows [REDACTED]
[REDACTED]

Figure 2: *****8*****



Source: TIGTA photograph, taken on November 5, 2021.

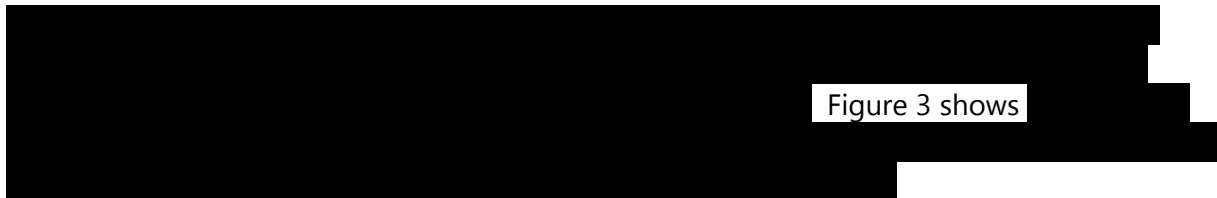
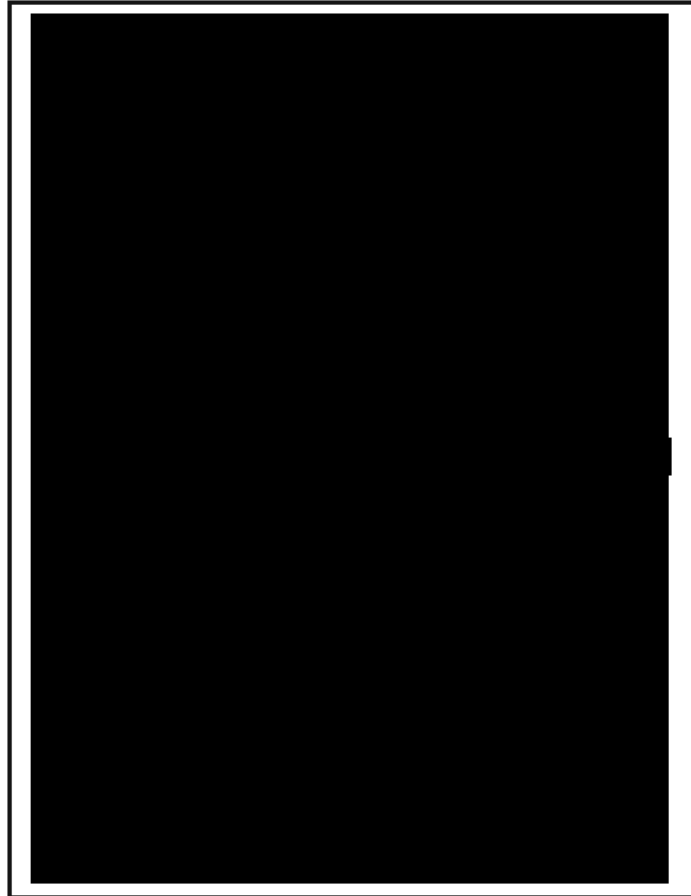
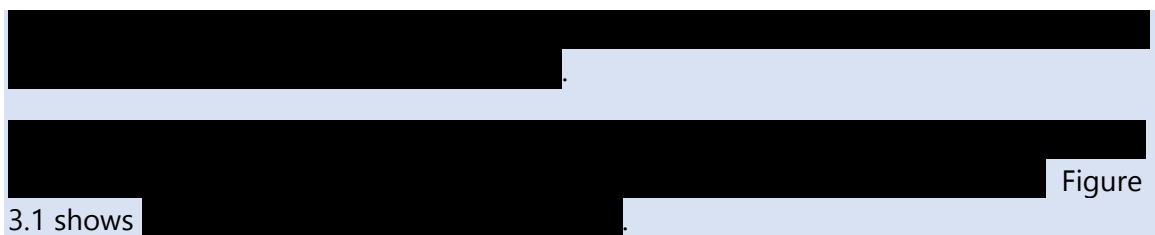


Figure 3: *****8*****
*****8*****
*****8*****



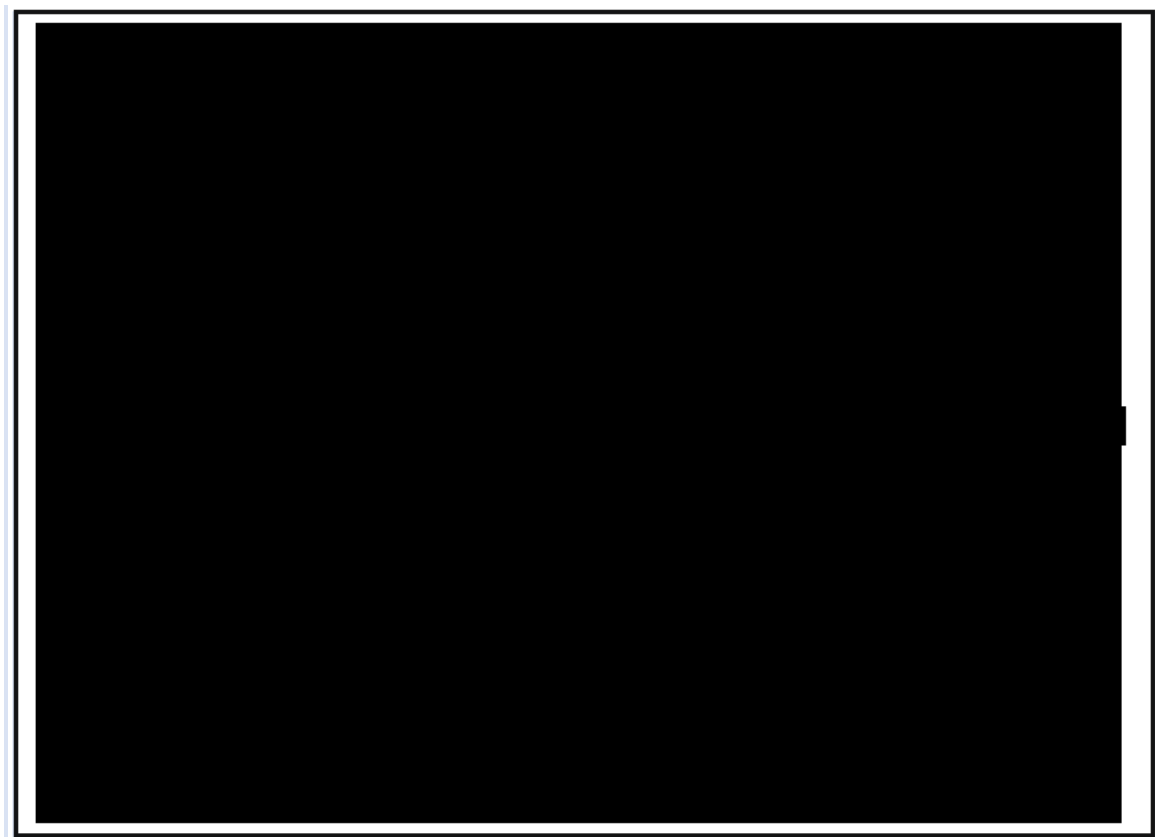
Source: TIGTA photographs, taken during the November 2021 inspection



3.1 shows

Figure

Figure 3.1: ***8*******



Source: TIGTA photographs taken on April 22, 2022.

*****8*****

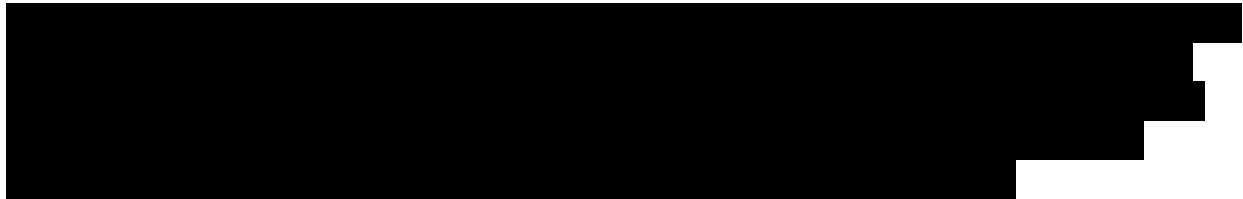


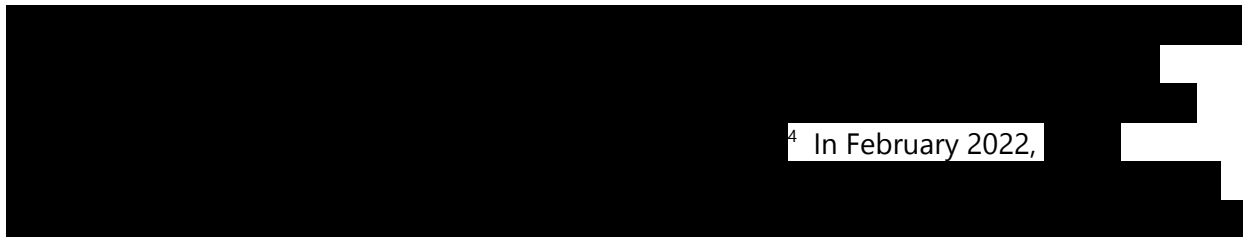
Figure 4 shows

Figure 4: *****8*****

*****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.



⁴ In February 2022,

⁴

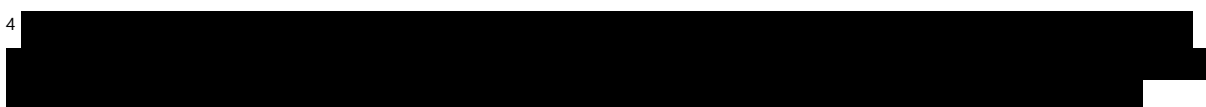




Figure 5: *****8*****

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Source: *The Risk Management Process for Federal Facilities: An Interagency Security Committee Standard, Appendix B (2020 Edition)*.

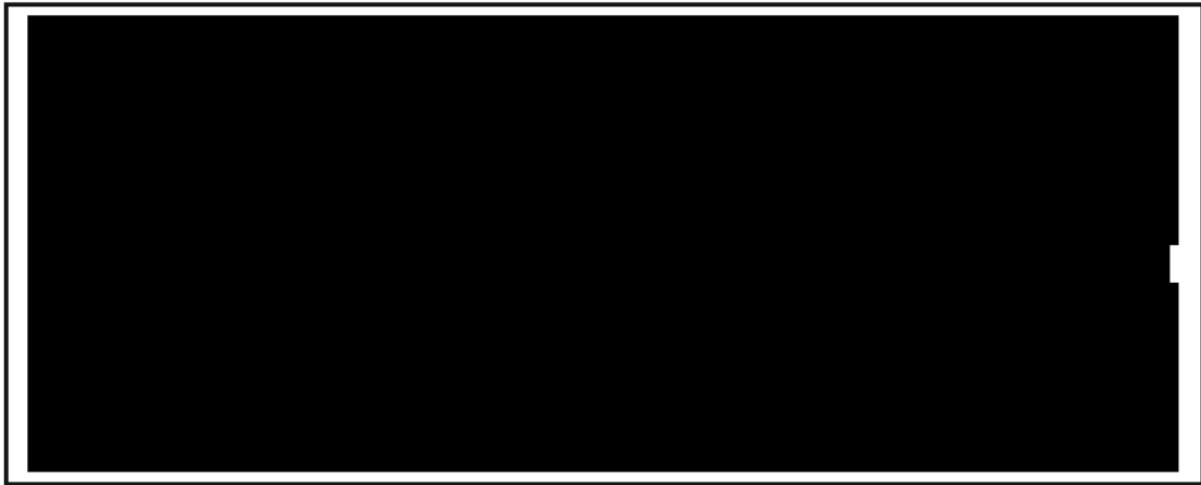


5

6

7 Figure 6 shows

Figure 6: *****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

*****8*****
*****8*****

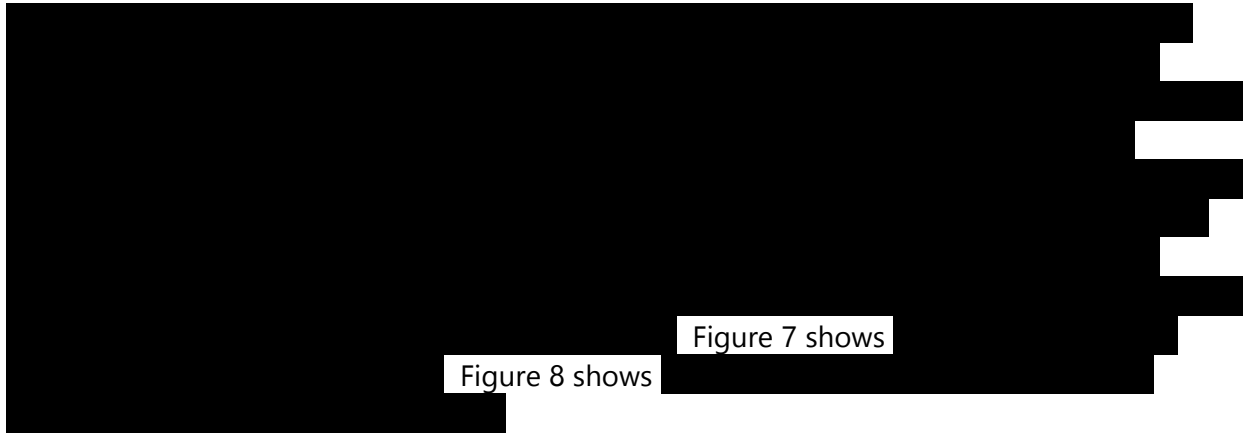


Figure 7 shows

Figure 8 shows

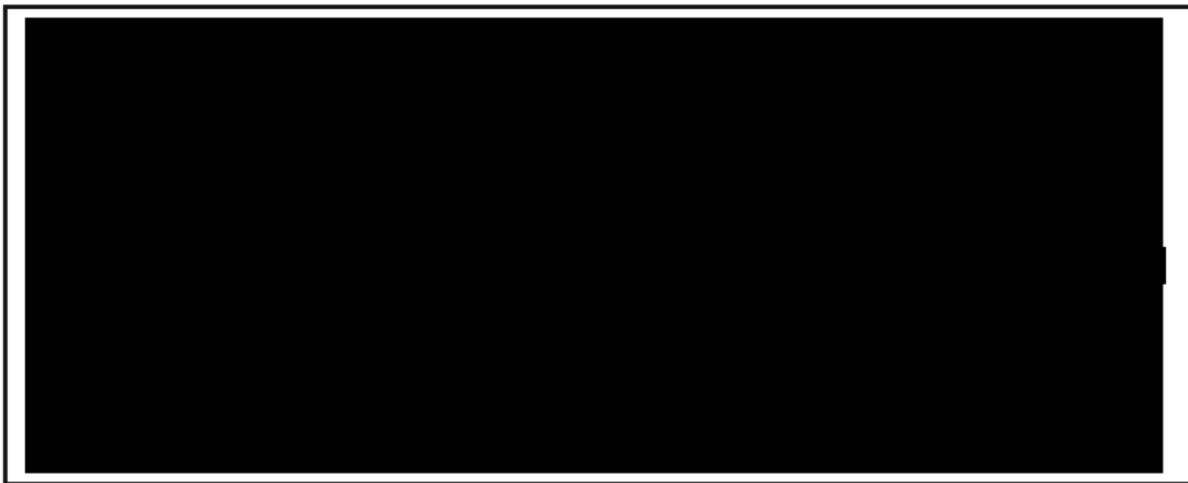
7

Figure 7: *****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

Figure 8: *****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

*****8*****

8 *****8*****

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

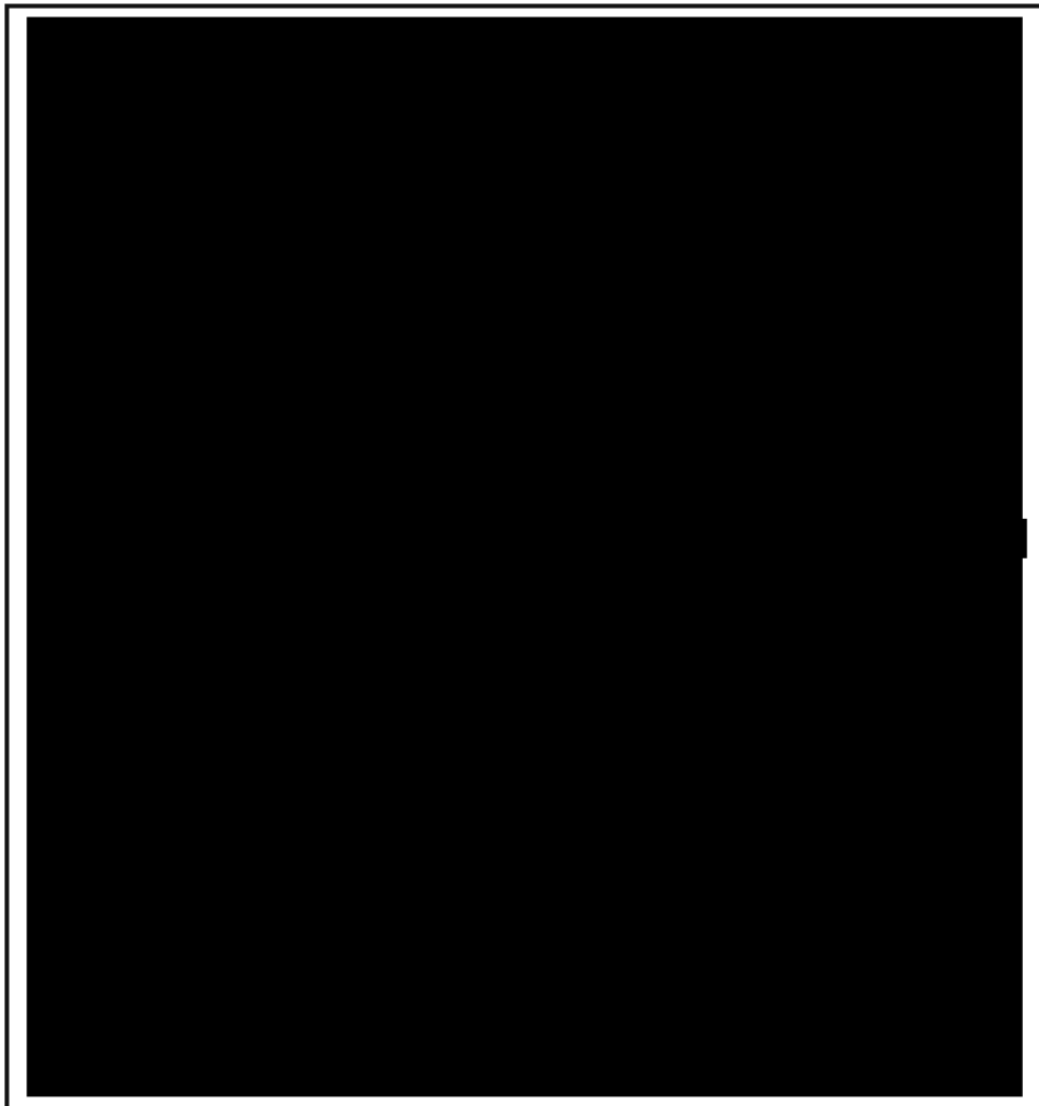
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[REDACTED]

Figure 9 shows

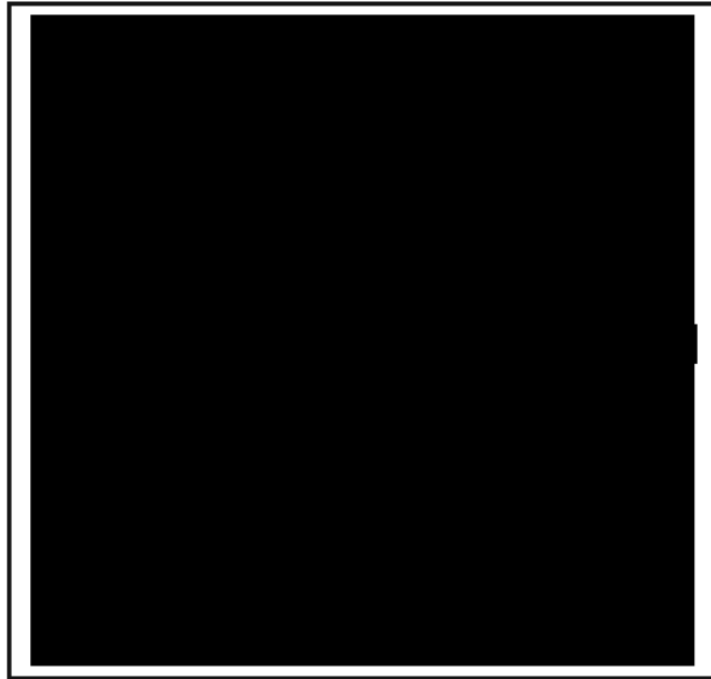
[REDACTED] Figure 10 shows

Figure 9: ***8*******
*******8*******



Source: TIGTA photographs, taken during the November 2021 inspection.

Figure 10: *****8*****
*****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

*****8*****

Figure 11 shows

Figure 11: *****8*****



Source: IRS VSS images, provided to TIGTA on November 17, 2021.

[REDACTED]

*****8*****

TIGTA reviewed the [REDACTED]

Figure 12 shows [REDACTED]

Figure 12: *****8*****



Source: TIGTA photograph, taken during the November 2021 inspection

[REDACTED]

Furthermore, [REDACTED]

Figure 13 shows [REDACTED]

Figure 13: *****8*****
*****8*****



Source: TIGTA photograph, taken during the November 2021 inspection.

[REDACTED]

In addition to TIGTA's observations [REDACTED]

[REDACTED]

Figure 12

Figure 13

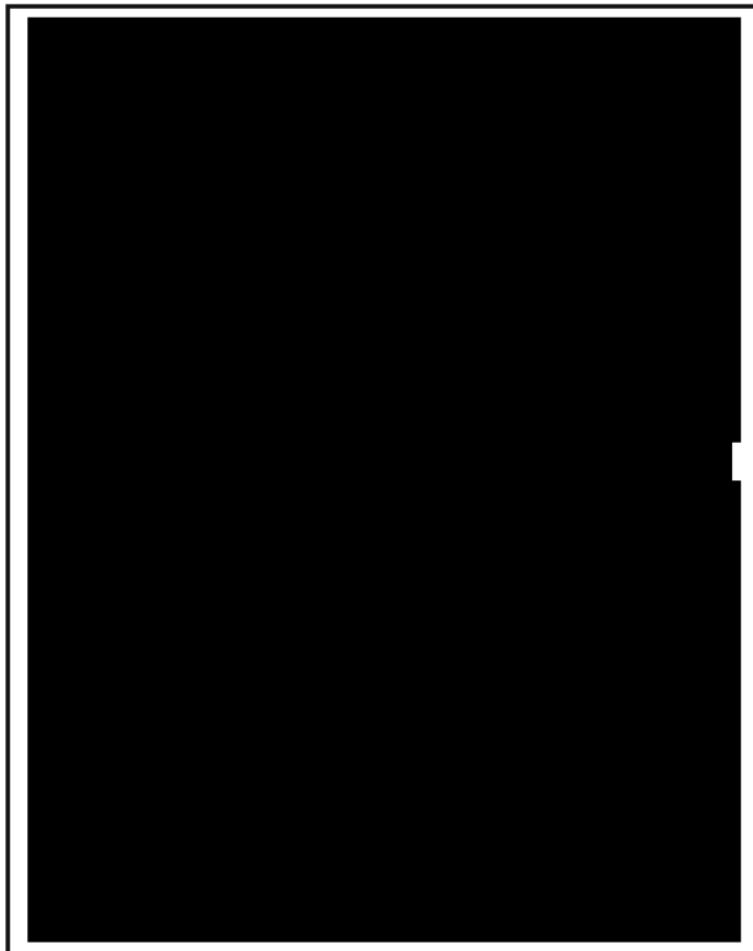
*****8*****

TIGTA observed

Figure 14 shows

Figure 14: ***8***

*****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

Figure 15

Figure 16

Figure 15: *****8*****
*****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

Figure 16: *****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

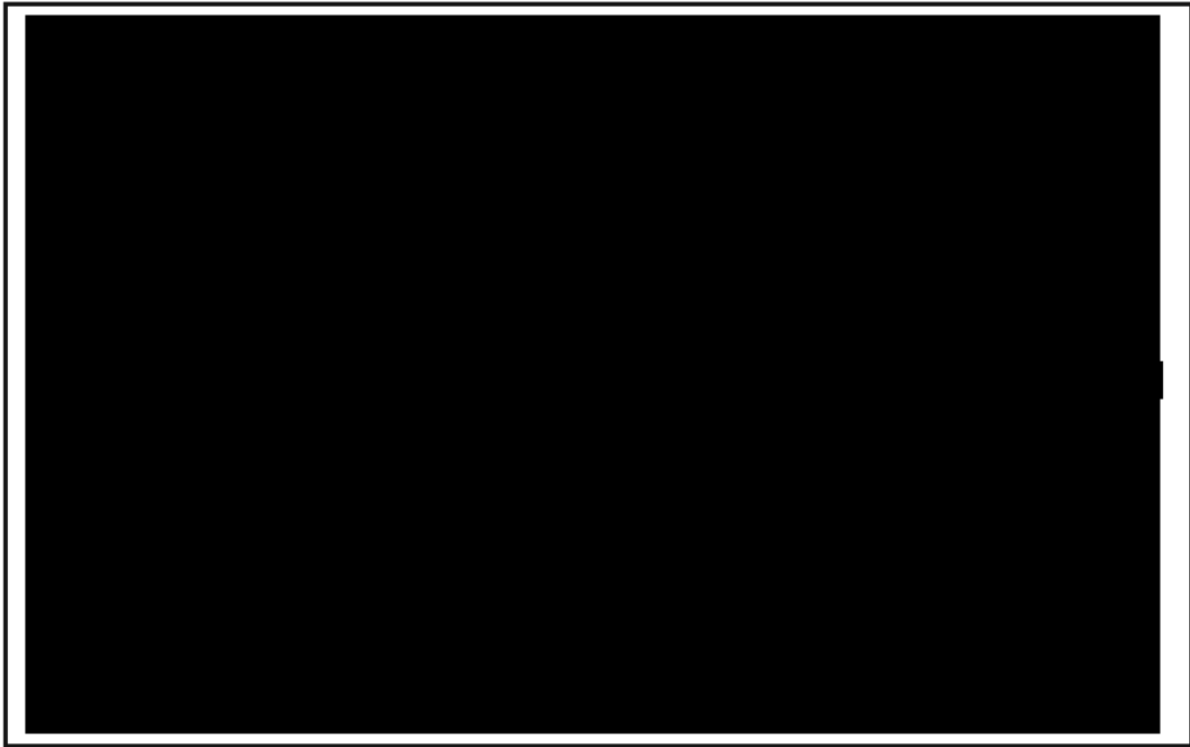
*****8*****

TIGTA observed

Figure 17 shows

(see Figure 15).

Figure 17: *****8*****
*****8*****



Source: TIGTA photographs, taken during the November 2021 inspection.

Appendix I

Background

Executive Order 12977 established the ISC after the Oklahoma City bombing of the Alfred Murrah Federal Building in 1995.¹ The ISC has authority to establish policies for security in and protection of Federal facilities in the United States occupied by Federal employees for nonmilitary activities. The ISC Standards define the criteria and processes that decision-makers should use to determine a facility's FSL and provides an integrated, single source of countermeasures for all Federal facilities. The ISC Standards also introduce the risk management process and outline the approach necessary to identify, assess, and prioritize the risks to Federal facilities. This approach is followed by a coordinated application of countermeasures to minimize, monitor, and control the probability of an undesirable event and the associated impact. Risk management decisions are based on the application of risk assessment, risk mitigation, and—when necessary and otherwise reasonably unavoidable—risk acceptance.

The Department of Homeland Security's FPS is the primary Federal agency responsible for providing physical security and law enforcement services to more than 9,000 Federal facilities, including more than 500 IRS facilities throughout the country. These services include conducting the FSAs; responding to crimes and other incidents to protect life and property; and detecting, investigating, and mitigating threats. The FSAs help decision-makers identify and evaluate security risk and implement protective measures to mitigate risk. The Department of Homeland Security's ISC Standards establish FSA standards.

In accordance with the Department of Homeland Security and the Risk Management Process, the IRS established physical security requirements for the reasonable protection of IRS personnel, tax information, infrastructure, property, and facilities against disclosure, loss, damage, or destruction without unnecessarily restricting or interfering with operations. The IRS has adopted the ISC Standards, including *Appendix B: Countermeasures*, as the basis for its physical security standards in the Internal Revenue Manual, while allowing flexibility to develop higher standards when deemed necessary by appropriate risk assessments and threat information to meet local situations.² The IRS also developed and implemented basic physical security concepts to comply with Department of the Treasury and IRS physical security standards. According to the Internal Revenue Manual, the IRS is responsible for completing an FSA Addendum for all locations where IRS employees are assigned once every three years for FSL III, IV, and V facilities and every five years for FSL I and II facilities.³

The IRS Chief, FMSS, is responsible for the oversight of the Physical Security Program. The FMSS manages and evaluates physical security programs for its client sites and ensures that policy and procedures are followed and security measures meet established minimum security standards. In September 2019, the FMSS partnered with the FPS to merge the IRS's physical security risk assessment process with the FPS's FSA process. The previous IRS physical security risk assessment process was made obsolete to reduce redundancies in favor of utilizing the FSA

¹ Executive Order 12977, *Interagency Security Committee* (1995), 60 Fed. Reg. 54411.

² Internal Revenue Manual 10.2.1, *Physical Security* (08-20-2020).

³ Internal Revenue Manual 10.2.11, *Basic Physical Security Concepts* (09-04-2019).

process going forward. On October 1, 2019, the IRS converted to the FSA schedule for conducting risk assessments exclusively so that the FPS and IRS FSAs are now aligned. The current FSA program involves a coordinated effort between the FPS and the IRS to assess the facility's compliance with the ISC Standards, Treasury Department, and IRS requirements.

[REDACTED]

The overall objective of this review was to determine whether physical security controls are in place at [REDACTED] to detect and deter unauthorized entry and comply with security policies and procedures established in the Internal Revenue Manual and by the ISC Standards.

This review was performed at [REDACTED] in November 2021. In addition, we obtained information from the FMSS from September 2021 through January 2022. We conducted this inspection in accordance with the Council of the Inspectors General for Integrity and Efficiency's Quality Standards for Inspection and Evaluation. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objective.

Major contributors to the report were James A. Douglas, Director; Frank O'Connor, Supervisory Evaluator; Meghann Noon-Miller, Lead Evaluator; John da Cruz, Senior Evaluator; and Matthew Pham, Evaluator.

(SBU) Inspection Checklist

[illegible]

¹ Not applicable is a category included on the inspection checklist to indicate information at the IRS facility reviewed was not available, not relevant to a particular situation, or not assessed during the inspection.

Section 2:

Section 3:

Section 4:

Section 4:		

Section 5:		

Section 6:		
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
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99	[REDACTED]	[REDACTED]
100	[REDACTED]	[REDACTED]

[illegible]

[illegible]

Section 9:		

Source: *The Risk Management Process for Federal Facilities: An Interagency Security Committee Standard* (2021) and observations made during the TIGTA inspection.

Appendix III

Management's Response

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

CHIEF FACILITIES MANAGEMENT
AND SECURITY SERVICES

April 15, 2022

MEMORANDUM FOR HEATHER M. HILL
DEPUTY INSPECTOR GENERAL FOR INSPECTIONS AND
EVALUATIONS

FROM: Richard L. Rodriguez /s/ Richard L. Rodriguez
Chief, Facilities Management and Security Services

SUBJECT: Draft Audit Report – Physical Security
Controls at the [REDACTED]
(# IE-21-009)

Thank you for the opportunity to review and comment on the draft inspection report. We are committed to the security of our offices, the employees and the taxpayer information they contain. Your review of this site and [REDACTED] will assist us in that effort.

As noted in the report, the countermeasures at the [REDACTED]
the Interagency Security Committee (ISC) standards and IRS baseline standards
designed to detect and deter unauthorized entry and secure restricted areas. [REDACTED]
[REDACTED]
[REDACTED]

We appreciate the continued support and assistance provided by your office. If you have any questions, please contact me at 202-317-4480, or a member of your staff may contact [REDACTED]
[REDACTED]

Attachment

Attachment

[REDACTED]

[REDACTED]

IMPLEMENTATION DATE:
N/A

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[illegible]

3

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Appendix IV

Abbreviations

DBT	Design-Basis Threat
FMSS	Facilities Management and Security Services
FPS	Federal Protective Service
FSA	Facility Security Assessment
FSL	Facility Security Level
████	████████████████
████	██
████	████████████████████████████
IRS	Internal Revenue Service
ISC	Interagency Security Committee
TIGTA	Treasury Inspector General for Tax Administration
████	████████████████████████████



**To report fraud, waste, or abuse,
call our toll-free hotline at:**

(800) 366-4484

By Web:

www.treasury.gov/tigta/

Or Write:

Treasury Inspector General for Tax Administration

P.O. Box 589

Ben Franklin Station

Washington, D.C. 20044-0589

Information you provide is confidential, and you may remain anonymous.